

AR80

OEM Division

Wire & Cable Division

Instrumentation Division

Aftermarket Division

OEM Module Division



Wire & Cable Division



Instrumentation Division



Aftermarket Division



2002

FINANCIAL HIGHLIGHTS

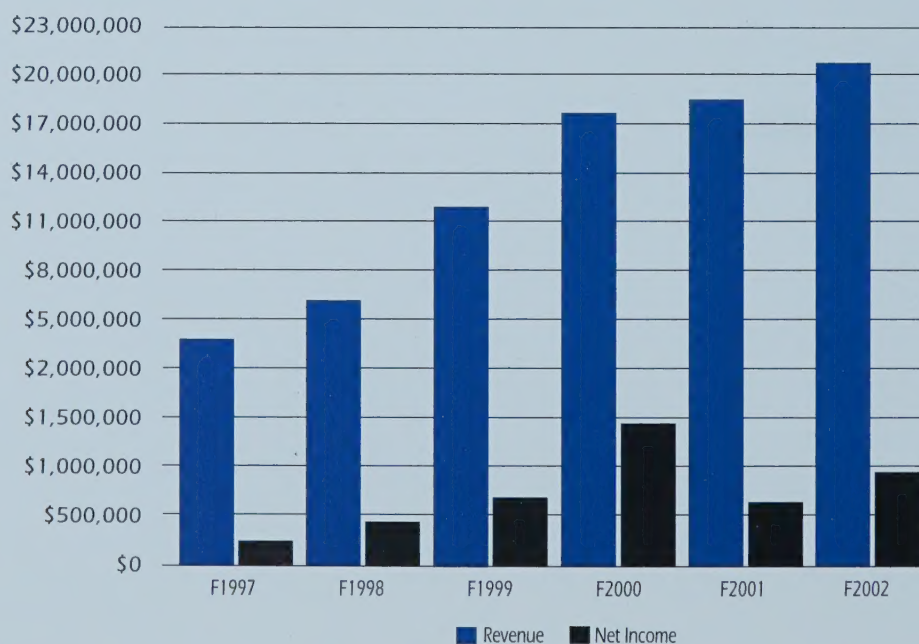
FOR THE YEARS ENDED JUNE 30

	2002	2001	2000	1999
Revenues	\$ 20,412,276	\$ 18,334,723	17,736,630	11,766,026
Earnings before income taxes	\$ 2,199,896	1,871,320	2,986,335	2,004,891
Income taxes expense	\$ 796,299	728,207	1,067,122	736,798
Net earnings	\$ 1,403,597	1,143,113	1,919,213	1,268,093
Net earnings per share - basic	\$ 0.17	0.15	0.28	0.20

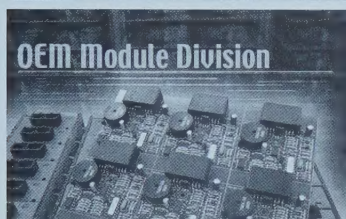
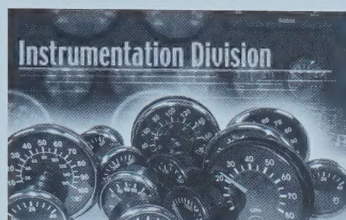
AS AT JUNE 30

	2002	2001	2000	1999
Total assets	\$ 16,085,213	14,200,352	12,756,126	5,999,483
Shareholders' equity	\$ 13,703,196	12,129,307	9,772,638	3,786,753
Additions to capital assets	\$ 654,491	4,079,276	1,544,477	1,128,605
Number of common shares	\$ 8,429,568	8,314,168	7,076,268	6,34,568

Revenue and Earnings History



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MESSAGE TO SHAREHOLDERS

Pacific Insight's strategic approach to growth and maximization of shareholder value generated revenues in excess of \$20 million for the first time in the Company's history in spite of the difficult economy. In addition to record revenues for the year, revenues for the month of June and the fourth quarter exceeded all previous results for similar periods. This contributed to a 23% increase in net earnings from the prior year and an increase in earnings per share to \$0.17 from \$0.15 in fiscal 2001. As well, all long term debt was retired from operating cash flows during the year.

Pacific Insight's 2002 fiscal results demonstrate the potential of the Company's strategic approach to growth and maximizing shareholder value. The Company's revenues have increased in each of the last 12 years. Quality, customer service and ingenuity have been the cornerstones of Pacific Insight's success. These efforts have been recognized by our key customers as demonstrated by receiving General Motors Supplier of the Year award for six consecutive years and by accomplishing our goal of achieving Ford Motor Company's prestigious Q1 Accreditation. These awards firmly establish Pacific Insight as a tier one automotive manufacturer and position the company well for future growth opportunities with these and other original equipment manufacturers ('OEMs').

The Company has strongly invested in manufacturing improvements, product development and strengthened management. Through this approach sales grew to exceed existing manufacturing capacity leading to the construction of a modern production facility which was completed in January 2001. The new facility has the capacity to handle the Company's growth for the foreseeable future. Fiscal 2002 has been the first year of a new growth phase supported by this new capacity. As part of this growth strategy Pacific Insight has focused on its product and market diversification. The products are segmented into four divisions: OEM Modules, Aftermarket Products, Wire and Cable, and Gauge and Instrumentation Products. Marketing of these products is targeted at three distinct market segments: Automotive, Heavy Truck and Marine.

The **OEM Module Division** includes automotive modules such as Daytime Running Lights, Belt-Minders, and LED Marker Lights. This division represented 57% of Pacific Insight's total revenue and was the most affected by the economic conditions, specifically the downturn in the heavy truck sector. However, strong sales in the automotive sector demonstrated the benefits of a diversified market and contributed to a 6% increase in total OEM sales over the prior year. With the recent Ford Q1 accreditation and continued product development the Company is poised for continued growth with Ford Motor Company and other OEMs.

The **Aftermarket Division** had a year-to-year increase in revenues of 36% and accounted for 20% of total revenue. This increase in revenues can be attributed mainly to our vehicle security products. Existing market segments have shown steady growth since the products' introduction and new markets, specifically Asia, have been established in fiscal 2002. Aftermarket business is important to Pacific Insight as higher margin parts sales provide a stable source of earnings even when economic conditions slow OEM sales growth. The planned introduction of new aftermarket products will continue the growth in this division.

MESSAGE TO SHAREHOLDERS

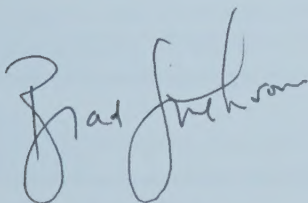
The **Wire and Cable Division** represented 18% of total revenue and was also affected by the downturn in the heavy truck industry. However, similar to the OEM Division, market diversification was instrumental in generating a 6% increase in revenues over the prior year. New customers were secured for the Company's premium quality harnesses in several niche markets, including the marine, refuse, highway trailer, and agricultural trailer markets. Since our products are ideal for vehicles used in harsh environments, Pacific Insight's strategy to increase our share of these markets will drive profitable growth in this division in the coming years.

The newest division, **Gauge and Instrumentation**, was 5% of total revenue and increased by 15% over fiscal 2001. This division provides a major growth opportunity for the Company. The Gauge and Instrumentation Division will continue to focus its efforts on the marine, bus, and heavy truck markets, which have shown a strong market shift from standard analog air-core gauges toward Pacific Insight's stepper motor/data-bus technology. Most major truck OEMs now control the vehicle's instruments with the engine's data bus. Demonstrations, testing, and evaluations are ongoing with several of the larger OEMs and monthly sales are growing.

For the future benefit of our shareholders, management has historically committed a substantial amount of business earnings into research and development. This year, we are allocating 5% of gross revenue to this department. This funding will allow the Company to compete for larger projects and begin design on several new products planned for 2003 launch.

While Pacific Insight has grown considerably in the past number of years we have retained our entrepreneurial culture. Our reputation is solid. We are in touch with our customers, respond quickly to their needs and act aggressively to seize opportunities. Our core strengths remain unchanged. Pacific Insight is a premier producer of electronic components to the automotive, heavy truck and marine industries. Shareholders can count on solid fundamentals, including a strong balance sheet, a growing order book and new product introductions, to drive our performance over the coming years.

In closing, I would like to recognize the contributions of Rick Durst who resigned from the Board of Directors in September 2002. I would also like to thank our employees for their hard work over the past year. Their dedication and innovation has been instrumental in helping the Company realize its growth potential.



Bradley D. Smithson
President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should be read in conjunction with the financial statements and related notes included therein, which are prepared in accordance with Canadian generally accepted accounting principles ('GAAP'). The annual report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved.

Overview

A major milestone was achieved in fiscal 2002 when Pacific Insight's annual revenues exceeded \$20 million despite a significant downturn in the heavy truck sector. The positive results are a reflection of the Company's diversified operations. The Company has three major market segments; automotive, heavy truck and marine and four product divisions: Original Equipment, Aftermarket, Wire & Cable and Gauge & Instrumentation.

During the year, Ford Motor Company awarded Pacific Insight its highest recognition for supplier quality – the prestigious Q1 Award. The Q1 award recognizes Pacific Insight as a supplier that has maintained a level of excellence in customer satisfaction. The award recognizes the Company for achieving consistent excellence in service and superior product quality. Only Ford Q1 facilities are considered for new product development and for parts source selection.

Operating Results

For the year ended June 30, 2002 the company recorded a net income of \$1,403,597 or \$0.17 per common share compared to net income of \$1,143,113 or \$.15 per common share in fiscal 2001. The increase in earnings per common share is a result of the net effect of the increase in net income offset by an 11% increase in the weighted average number of common shares outstanding from the previous year. The 23% increase in net income is the result of a 12% increase in revenues supplemented by a decrease in selling, general and administrative expenses as a percentage of revenue and a decrease in the effective tax rate.

Earnings before interest, taxes and depreciation ('EBITDA') were \$2.62 million versus \$2.22 million for the previous year.

Selected Financial Information	2002	2001
Revenue	20,412,276	18,334,723
Cost of sales	14,419,266	12,995,770
Gross profit	5,993,010	5,338,953
Depreciation	471,888	463,463
Selling, general and administrative	3,369,738	3,111,843
Operating earnings	2,151,384	1,763,647
Other income	48,512	107,673
Income tax expense	796,299	728,207
Net earnings	1,403,597	1,143,113
Cash and equivalents	2,268,777	1,021,396
Working capital	7,552,944	6,513,081

Revenue for the 2002 fiscal year increased 12% to \$20,412,276 compared with \$18,334,723 for the preceding year. Original Equipment division revenues represented 57% of fiscal 2002 revenues compared to 59% of fiscal 2001 revenues and increased by 6% in the year. The Aftermarket division revenues yielded a 36% increase from the prior year and accounted for 20% of sales versus 17% for fiscal 2001. Gauge and Instrumentation revenues grew by 15% and represent 5% of total revenue for fiscal 2002. Wire and Cable grew by 6% to contribute 18% of total revenues compared to 19% in the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Costs of sales decreased marginally in fiscal 2002 which resulted in an increase in the gross profit percentage to 29.3% from 29.1% in the prior year.

Selling, general and administrative ('SG&A') expenses increased to \$3.4 million compared to \$3.1 million in fiscal 2002 and have decreased as a percentage of revenue from 16.9% to 16.5%. The decrease in product development expenditures included in SG&A from the prior year is the result of the net effect of an increase in total product development costs offset by the deferral of certain product development costs.

Income Tax for fiscal 2002 totaled \$796,299 as compared to \$728,207 in fiscal 2001. The effective income tax rate for the corporation's operations for fiscal year 2002 was 36.1% compared to 38.9% for fiscal 2001. The decrease in the effective tax rate was a result of a decrease in the combined federal and provincial income tax rate.

Financial Condition and Liquidity

Cash and cash equivalents were at \$2.26 million at June 30, 2002 and working capital was \$7.55 million compared with \$1.02 million and \$6.51 million respectively at the beginning of the year. The Company did not draw on its available credit facility in fiscal 2002 and there was no long-term debt outstanding at the end of the year, with the balance of long-term debt from the prior year repaid out of operating cash flows during the year.

Non-cash working capital balances increased over the prior year mainly due to increased accounts payable and decreased inventory.

Capital asset expenditures during the year were \$654,491, the majority of which was for production tooling and manufacturing equipment. Expenditures on manufacturing equipment continue to be made to improve future operating efficiencies. Deferred development expenditures of \$324,252 were incurred in the year related to specific projects.

Share Capital increased during the year due to the exercise of 115,400 stock options during the year. The Company received approval from the CDNx to initiate a Normal Course Issuer Bid ('NCIB'). Accordingly, the Company may, if it so elects based on market and investment considerations repurchase up to 5% of its outstanding common shares through the open market. As of August 21, 2002, the Company had repurchased 22,000 common shares under the NCIB.

Outlook

Pacific Insight's future is dependent upon its ability to continue to develop and market products that can successfully compete in the automotive, heavy truck and marine industries. Pacific Insight maintains a Research and Development department focused on developing saleable products to meet targeted business opportunities. In addition to new product development, the department maintains and evolves the existing product lines to remain competitive and realize cost efficiencies.

With experienced management, a new facility, solid balance sheet, increasing revenues, strong customer relationships, combined with the ability to invest in technology and quality systems, the Company is poised for continued success.

For further information, please visit our web site at www.pacificinsight.com. For Corporate Relations please contact our toll free line: 1-800-995-1155 or email: sross@pacificinsight.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

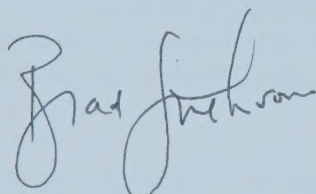
The financial statements and other financial information in this Annual Report were prepared by the management of Pacific Insight Electronics Corp., reviewed by the Audit Committee and approved by the Board of Directors.

Management is responsible for the financial statements and believes that they present fairly the Company's financial condition and results of operations in conformity with Canadian generally accepted accounting principles. Management has included in the Company's financial statements amounts based on estimates and judgments that it believes are reasonable under the circumstances.

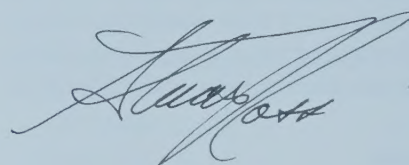
Systems of internal accounting and administrative controls are maintained by management in order to provide reasonable assurance that financial information is relevant, reliable and accurate and that transactions are authorized, assets are safeguarded and proper records are maintained. Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting and internal control responsibilities and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

Pacific Insight Electronics Corp.'s external auditors have conducted an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards on behalf of the shareholders. The external auditors have full and free access to the Board of Directors. Their report outlines the scope of their examination and their opinion.



Bradley D. Smithson
President



Stuart D. Ross
Chief Financial Officer

AUDITORS' REPORT

To the Shareholders of
Pacific Insight Electronics Corp.

We have audited the balance sheets of Pacific Insight Electronics Corp. as at June 30, 2002 and 2001 and the statements of operations and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

"DAVIDSON & COMPANY"

Chartered Accountants

Vancouver, Canada,

August 21, 2002

BALANCE SHEETS

As at June 30

2002

2001

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,268,777	\$ 1,021,396
Accounts receivable	3,679,550	3,375,162
Inventories [note 2]	3,366,152	3,479,211
Prepaid expenses and deposits	22,539	63,906

9,337,018 7,939,675

Capital assets [note 3]

6,443,280 6,260,677

Product development costs

304,915 —

\$ 16,085,213 \$ 14,200,352

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,784,074	\$ 1,183,066
Income taxes payable	—	128,512
Long-term debt, current portion [note 4]	—	115,016

1,784,074 1,426,594

Long-term debt [note 4]

— 316,264

Future income taxes [note 5]

597,943 328,187

2,382,017 2,071,045

Shareholders' equity

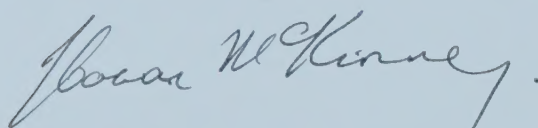
Share capital [note 6]	8,206,456	8,036,164
Retained earnings	5,496,740	4,093,143

13,703,196 12,129,307

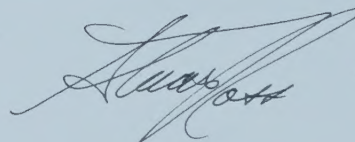
\$ 16,085,213 \$ 14,200,352

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors:



J. Cowan McKinney
Chairman of the Board



Stuart D. Ross
Director

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Years ended June 30

2002

2001

Revenue	\$ 20,412,276	\$ 18,334,723
Cost of sales	14,419,266	12,995,770
Gross profit	5,993,010	5,338,953
Expenses		
Selling, general and administrative	3,369,738	3,111,843
Depreciation	471,888	463,463
	3,841,626	3,575,306
Operating earnings	2,151,384	1,763,647
Other income	48,512	107,673
Earnings before income taxes	2,199,896	1,871,320
Income tax expense [note 5]	796,299	728,207
Net earnings	1,403,597	1,143,113
Retained earnings, beginning of year	4,093,143	3,157,160
Adjustment on adoption of the liability method of accounting for income taxes [note 5]	—	(207,130)
Retained earnings, end of year	\$ 5,496,740	\$ 4,093,143
Net earnings per share		
Basic	\$ 0.17	\$ 0.15
Diluted	\$ 0.16	\$ 0.14
Weighted average number of shares		
Basic	8,387,749	7,559,620
Diluted	8,736,857	8,028,481

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Years ended June 30

2002

2001

OPERATING ACTIVITIES

Net earnings	\$ 1,403,597	\$ 1,143,113
Items not involving cash		
Depreciation and amortization	491,225	463,463
Future income taxes	269,756	121,057
	2,164,578	1,727,633
Net changes in non-cash working capital balances related to operations [note 7]	322,534	(1,429,989)
Cash flows provided by operating activities	2,487,112	297,644

FINANCING ACTIVITIES

Issuance of share capital	170,292	1,420,686
Proceeds from long-term debt	—	2,000,000
Repayment of long-term debt	(431,280)	(2,115,008)
Cash flows provided by (used in) financing activities	(260,988)	1,305,678

INVESTING ACTIVITIES

Capital asset additions	(654,491)	(4,079,276)
Deferred development cost additions	(324,252)	—
Cash flows used in investing activities	(978,743)	(4,079,276)
<i>Increase (decrease) in cash and cash equivalents</i>	1,247,381	(2,475,954)
<i>Cash and cash equivalents, beginning of year</i>	1,021,396	3,497,350
Cash and cash equivalents, end of year	\$ 2,268,777	\$ 1,021,396

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

1. SIGNIFICANT ACCOUNTING POLICIES

- a) **Description of business** – Pacific Insight Electronics Corp. ("the Company") is engaged in the design and manufacture of advanced vehicle technologies for the automotive, heavy truck and marine industries.
- b) **Use of estimates** - The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of revenues and expenses. Actual results could differ from these estimates.
- c) **Cash and cash equivalents** – Cash and cash equivalents consists of cash and highly liquid investments which have original maturities of three months or less.
- d) **Inventories** – Finished products are valued at the lower of average cost and net realizable value. Other inventories are valued at the lower of average cost and replacement cost which is not in excess of net realizable value.
- e) **Capital assets** – Capital assets are recorded at cost. Depreciation is provided over the assets' estimated useful lives on a straight-line basis at the following annual rates:

Building	2.5%
Equipment	6% - 20%

- f) **Research and Development** – Product development costs relating to products that the Company believes are technically feasible and for which a clearly defined market exists are capitalized. Such costs are amortized over periods not exceeding the estimated revenue-generating life of the product. If costs are later determined to be unrecoverable or the product is no longer considered commercially viable, all unamortized costs are immediately charged to earnings. Research costs are expensed as incurred.
- g) **Financial instruments** - The estimated fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their carrying value in the financial statements. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments.
- h) **Foreign exchange translation** – The Company's foreign currency transactions are translated into Canadian dollars at the rates in effect at the date of the transaction. At the balance sheet date, monetary assets and liabilities are translated at the rates in effect on that date. Exchange gains and losses are reflected in earnings as they occur.
- i) **Income taxes** – Income taxes are provided for using the liability method of tax accounting. Under the liability method, future income tax assets and liabilities are determined based on temporary differences (differences between the accounting basis and tax basis of the assets and liabilities) and are measured using the currently enacted, or substantively enacted, tax rates and laws expected to apply when these differences reverse.

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- j) **Stock-based compensation plan** – The Company has a Stock Option Plan, which is described in note 6. No compensation expense is recognized for the plan when stock options are granted. Any consideration received on exercised stock options is credited to share capital.
- k) **Segmented information** – The Company conducts substantially all of its operations in North America in advanced vehicle technologies.
- l) **Earnings per share** – Basic earnings per share is calculated based on net earnings divided by the weighted average number of shares outstanding during the year. Diluted earnings per share are computed using the treasury stock method, giving effect to the exercise of all dilutive elements. Under this method, deemed proceeds of the exercise of options and warrants are considered to be used to reacquire common shares at an average share price.

2. INVENTORIES

	2002	2001
Raw materials	\$ 2,916,714	\$ 2,922,668
Finished product	449,438	556,543
	\$ 3,366,152	\$ 3,479,211

3. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value
2002			
Land	\$ 440,831	\$ —	\$ 440,831
Building	3,664,558	119,037	3,545,521
Equipment	3,961,286	1,504,358	2,456,928
	\$ 8,066,675	\$ 1,623,395	\$ 6,443,280
2001			
Land	\$ 440,831	\$ —	\$ 440,831
Building	3,664,558	37,094	3,627,464
Equipment	3,307,373	1,114,991	2,192,382
	\$ 7,412,762	\$ 1,152,085	\$ 6,260,677

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

4. LONG-TERM DEBT

	2002	2001
Long-term debt	\$ —	\$ 431,280
Long-term debt, current portion	—	(115,016)
	\$ —	\$ 316,264

The long-term debt was repaid during the fiscal 2002.

5. INCOME TAXES

- a) The Company's effective income tax rate differs from that obtained by applying the basic corporate tax rate to net earnings for the following reasons:

	2002	2001
Earnings before income taxes	\$ 2,199,896	\$ 1,871,320
Combined basic Canadian federal and provincial income tax rate	41.6%	44.6%
Income tax expense based on above rate	915,157	834,608
Decrease resulting from:		
Manufacturing and processing credits	(99,604)	(104,036)
Other	(19,254)	(2,365)
	\$ 796,299	\$ 728,207

Income Tax Expense

Current tax expense	\$ 526,543	\$ 607,150
Future tax expense	269,756	121,057
	\$ 796,299	\$ 728,207

- b) The future tax liability is comprised of the following tax effected temporary differences:

	2002	2001
Capital Assets	\$ 489,393	\$ 328,187
Product development costs	108,550	—
	\$ 597,943	\$ 328,187

- c) Effective July 1, 2000, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes. Under the new recommendations the liability method of tax allocation is being used. The new method was applied retroactively without restatement of the 2000 financial statements. The effect of the new recommendations on the opening 2001 financial statements was to increase future income taxes by \$207,130 and decrease retained earnings by \$207,130.

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

6. SHARE CAPITAL

a) The authorized share capital of the Company is 100,000,000 common shares without par value.

b) Details of issued and outstanding common shares are as follows:

	2002		2001	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of year	8,480,668	\$8,133,728	7,242,768	\$4,260,035
Exercise of options	115,400	170,292	161,900	213,147
Exercise of special warrants	—	—	636,895	2,453,007
Exercise of warrants	—	—	439,105	1,207,539
	8,596,068	8,304,020	8,480,668	8,133,728
Treasury shares held	(166,500)	(97,564)	(166,500)	(97,564)
Balance, end of year	8,429,568	\$8,206,456	8,314,168	\$8,036,164

c) **Stock options** – The Company has reserved 1,650,000 common shares pursuant to a Stock Option Plan ('the Plan'). Options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to certain executive officers and directors, employees and consultants of the Company. Under the Plan, the exercise price of each option shall not be less than the closing price of the Company's share for the ten trading days preceding the date of the grant. The options can be granted for a maximum term of ten years.

A summary of options outstanding under the Company's Stock Option Plan as of June 30, 2002 and 2001, and changes during the years ended on those dates are presented below:

	2002		2001	
	Number of Options	Weighted Average Price	Number of Options	Weighted Average Price
Outstanding, beginning of year	994,100	\$2.09	1,178,000	\$2.00
Granted	165,000	3.06	—	—
Exercised	(115,400)	2.25	(161,900)	1.29
Cancelled / Expired	(7,000)	1.45	(22,000)	3.20
Outstanding, end of year	1,036,700	\$2.25	994,100	\$2.09

All outstanding options at the end of the year are currently exercisable.

During fiscal 2002, the Board of Directors of the Company approved the repricing of an aggregate of 49,000 options from \$4.10 to \$3.06.

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

6. SHARE CAPITAL - CONTINUED

The following table summarized information about stock options outstanding at June 30, 2002

Number of Options	Exercise Price	Expiry Date
120,000	\$4.10	May 9, 2005
46,000	3.06	May 9, 2005
30,204	0.94	November 3, 2005
164,000	3.06	November 15, 2006
191,496	1.43	February 22, 2006
10,000	1.30	April 22, 2007
20,000	1.30	October 21, 2008
110,000	1.38	November 30, 2008
40,000	1.45	December 2, 2008
234,000	1.85	February 7, 2009
71,000	3.06	December 16, 2009
1,036,700		

d) Warrants – At June 30, 2002 there were no warrants outstanding.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2002	2001
Net changes in non-cash working capital balances		
Accounts receivable	\$ (304,388)	\$ 79,329
Inventories	113,059	(387,276)
Prepaid expenses and deposits	41,367	3,580
Accounts payable and accrued liabilities	601,008	(925,762)
Income taxes payable	(128,512)	(199,860)
Changes in non-cash working capital balances relating to operations	\$ 322,534	\$ (1,429,989)

A summary of the amount of interest paid and income taxes paid for 2002 and 2001 is presented in the following table:

	2002	2001
Income taxes paid	\$ 683,570	\$ 812,572
Interest paid	10,447	108,426

8. SUBSEQUENT EVENTS

a) The Company issued 28,200 common shares for total proceeds of \$47,880 pursuant to the exercise of stock options.

b) The Company repurchased 22,000 of its common shares under a normal course issuer bid.

CORPORATE INFORMATION

Board of Directors and Corporate Officers

J. Cowan McKinney	Chairman
Bradley D. Smithson	Director, Chief Executive Officer and President
Stuart D. Ross	Director, Chief Financial Officer
Mackenzie (Mac) Norris	Director
Stuart O. McLaughlin	Director

Corporate Office

1155 Insight Drive
Nelson, B.C., Canada
V1L 5P5
www.pacificinsight.com

Auditors

Davidson & Company
Vancouver, B.C., Canada

Council, Registered and Records Office

McCullough O'Connor Irwin
Vancouver, B.C., Canada

Investment Information

Shares Listed:	TSX Venture Exchange Trading Symbol - PIH
Common Shares Authorized:	100,000,000
Common Shares Outstanding (as at June 30, 2002):	8,429,568

Transfer Agent

Computershare Trust Company of Canada
Vancouver, B.C., Canada

Corporate Relations

Corporate relations enquiries should be directed to: 1 (800) 995-1155 or
via Email to: sross@pacificinsight.com

Annual General Meeting

10:00 a.m., November 8, 2002
Second Floor
888 Dunsmuir Street
Vancouver, B.C., Canada

NOTES



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